Agreement

We agree with you, in return for your premium payment, to insure you subject to all the terms of this policy. We will insure you for the coverages and the limits of liability shown in the Declarations of this policy.

Definitions

Throughout this policy, "you" and "your" mean the "named insured" shown in the Declarations and spouse if a resident of the same household. "We," "us" and "our" mean the Company named in the Declarations which provides this insurance. In addition, certain words appear in bold type. They are defined as follows:

Accident or **occurrence** means a sudden event, including continuous or repeated exposure to the same conditions, resulting in **bodily injury** or **property damage** neither expected nor intended by the insured person.

Bodily injury means **bodily injury** to or sickness, disease or death of any person.

Damages are the cost of compensating those who suffer **bodily injury** or **property damage** from an **accident.**

Family member means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.

Occupying means in, on, getting into or out of.

Private Passenger Car means a four wheel land motor vehicle of the private passenger or station wagon type actually licensed for use upon public highways. It includes any motor home with no more than six wheels and not used for business purposes.

Property damage means physical injury to or destruction of tangible property, including loss of its use.

State means the District of Columbia and any state, territory or possession of the United States, or any province of Canada.

Utility car means a four wheel land motor vehicle licensed for use upon public highways, with a rated load capacity of not more than 2,000 pounds, of the pickup or van type. It does not mean a vehicle used in any business or occupation other than farming or ranching.

Utility trailer means a vehicle designed to be towed by a **private passenger car** and includes a farm wagon or farm implement while towed by a **private passenger car** or **utility car.** It does not include a trailer used as an office, store, display or passenger trailer.

Your insured car means:

1. The vehicle described in the Declarations of this policy or any **private passenger car** or **utility car** with which you replace it. You must advise us within 30 days of any change of car. If your policy term ends more than 30 days after the change, you can advise us anytime before the end of that term.
2. Any additional **private passenger car** or **utility car** of which you acquire ownership during the policy period provided that:
   a. You notify us within 30 days of its acquisition, and
   b. As of the date of acquisition, all **private passenger car** and **utility cars** you own are insured with a member company of the Farmers Insurance Group of Companies.
3. Any **utility trailer:**
   a. That you own, or
   b. While attached to **your insured car.**
4. Any **private passenger car, utility car** or **utility trailer** not owned by you or a **family member** while being temporarily used as a substitute for any other vehicle described in this definition because of its withdrawal from normal use due to breakdown, repair, servicing, loss or destruction.

What to Do in Case of Accident

Notice

In the event of an **accident,** or loss, notice must be given to us within 20 days. However, if you are unable to do so, then notice must be given as soon as possible. The notice must give the time, place and circumstances of the **accident,** or loss, including the names and addresses of injured persons and witnesses.

Other Duties

A person claiming any coverage of this policy must also:

1. Cooperate with us and assist us in any matter concerning a claim or suit.
2. Send us promptly any legal papers received relating to any claim or suit.
3. Submit to physical examinations at our expense by doctors we select as often as we may reasonably require.
4. Authorize us to obtain medical and other records.
5. Provide any written proofs of loss we require.
6. Notify police within 24 hours and us within 30 days if a hit-and-run motorist is involved and an uninsured motorist claim is to be filed.

:Syntax-word-key-meaning:

1=Adverb	8=Past-time
2=Verb	9=Future-time
3=Adjective	0=Conjunction
4=Pronoun	NC=No-Contract

Declaration Page (continued)

- Any outstanding credit will be applied to your remaining account balance. However, 'insured' can request an immediate refund for any outstanding credit if preferred.

*Information on Additional Fees

The "Fees" stated in the "Premium/Fees" box on the front apply on a per-policy, not an account basis. The following additional fees also apply:

1. **Service Charge per installment** (In consideration of our agreement to allow you to pay in installments):
   - For Monthly Recurring Electronic Funds Transfer (EFT) and fully enrolled online billing (paperless): **$0.00** (applied per account)
   - For other Monthly EFT plans: **$2.00** (applied per account)
   - For all other payment plans: **$5.00** (applied per account)

   If this account is for more than one policy, changes in these fees are not effective until the revised fee information is provided for each policy.
2. **Late Fee: $10.00** (applied per account)
3. **Returned Payment Charge: $25.00** (applied per check, electronic transaction, or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account)
4. **Reinstatement Fee: $25.00** (applied per policy)

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

Countersignature

SIMULATION

Authorized Representative

:Syntax-word-key-meaning:
1=Adverb 8=Past-time
2=Verb 9=Future-time
3=Adjective 0=Conjunction
4=Pronoun NC=No-Contract

7. If claiming car damage coverage:
   a. Take reasonable steps after loss to protect the vehicle and its equipment from further loss. We will pay reasonable expenses incurred in providing that protection.
   b. Promptly report the theft of the vehicle to the police.
   c. Allow us to inspect and appraise the damaged vehicle before its repair or disposal. DPV
8. Submit to examination under oath upon our request.
9. If claiming Medical Expense Coverage, submit receipts or bills for these services no later than 60 days following treatment date.

Part I - Liability

:ITALIC=OMIT

Coverage A - Bodily Injury
Coverage B - Property Damage

We will pay **damages** for which any **insured person** is legally liable because of **bodily injury** to any person and/or **property damage** arising out of the ownership, maintenance or use of a **private passenger car**, a **utility car**, or a **utility trailer**.

We will defend any claim or suit asking for these **damages**. We may settle when we consider it appropriate. DPV

:ITALIC :VOID

We will not defend any suit or make additional payments after we have paid the limit of liability for the coverage.

Additional Definitions Used in This Part Only

Insured person as used in this part means:

1. You or any **family member**. DPV
2. Any person using **your insured car**.
3. Any other person or organization with respect only to legal liability for acts or omissions of:
   a. Any person covered under this part while using **your insured car**.
   b. You or any **family member** covered under this part while using any **private passenger car**, **utility car**, or **utility trailer** other than **your insured car** if not owned or hired by that person or organization.

Insured person does not mean: DPV

1. The United States of America or any of its agencies. DPV
2. Any person for **bodily injury** or **property damage** arising from the operation of a vehicle by that person as an employee of the United States Government when the provisions of the Federal Tort Claims Act apply.
3. Any person who uses a vehicle without having sufficient reason to believe that the use is with the permission of the owner. DPV

Your insured car, as used in this part, shall also include any other **private passenger car**, **utility car**, or **utility trailer** not owned by or furnished or available for the regular use of you or a **family member**. But no vehicle shall be considered as **your insured car** unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member**. DPV

Supplementary Payments

In addition to our limit of liability, we will pay these benefits as respects an **insured person:**

1. All costs we incur in the settlement of any claim or defense of any suit. DPV
2. Interest after entry of judgment on any amount that does not exceed our limit of liability. DPV
3. a. Premiums on appeal bonds on any suit we defend. DPV
   b. Premiums on bonds to release attachments in any such suit for an amount not in excess of the applicable limit of liability of this policy. DPV

   Up to $300 for the cost of bail bonds required because of **accident** or traffic law violation arising out of use of **your insured car**.

   We are not obligated to apply for or furnish any of the above bonds.
4. Actual loss of wages or salary up to $50 a day, but not other income, when we ask you to attend a trial or hearing. DPV
5. Expenses you incur for immediate medical and surgical treatment for others necessary at the time of the **accident** resulting in **bodily injury** covered by this part. DPV
6. Other reasonable expenses incurred at our request. DPV

Exclusions DPV

This coverage does not apply to:

1. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of a vehicle when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. **Bodily injury** or **property damage:**
   a. Caused intentionally by or at the direction of an **insured person**, or
   b. Resulting from any **occurrence** caused by an act of an **insured person** with intent to cause damage or injury of any nature. DPV
3. **Bodily injury** or **property damage** with respect to which any person is an insured under nuclear energy insurance. This exclusion applies even if the limits of that insurance are exhausted. DPV

4. **Bodily injury** to an employee of an **insured person** arising in the course of employment. This exclusion does not apply to **bodily injury** to a domestic employee unless workers' or workmen's compensation benefits are required.
5. **Bodily injury** or **property damage** for any person while employed or otherwise engaged in the business or occupation of transporting, selling, repairing, servicing, storing or parking of vehicles designed for use mainly on public highways, including road testing or delivery.
   This exclusion does not apply to the ownership, maintenance or use of **your insured car** by you, any **family member,** or any partner, agent, or employee of you or any **family member.** This exclusion also does not apply to any other person who does not have other insurance available to him/her with limits equal to at least those of the Wisconsin Financial Responsibility Law. In such event, the insurance afforded that person will be limited to the requirements of the Wisconsin Financial Responsibility Law.
6. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle except a **private passenger car** by any person employed or otherwise engaged in a business other than the business described in Exclusion 5 above.
7. Damage to property owned or being transported by an **insured person.**
8. Damage to property rented to, or in the charge of an **insured person** except a residence or private garage not owned by that person.
9. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any motorized vehicle with less than four wheels.
10. **Bodily injury** or **property damage** arising out of the ownership, maintenance or use of any vehicle other than **your insured car,** which is owned by or furnished or available for regular use by you or a **family member.**
11. Liability assumed under any contract or agreement except liability of others you assume in a written contract relating to the use of an auto you do not own.
12. Liability arising from the sponsoring or taking part in any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation, or in practice or preparation for any such contest.
13. Punitive or exemplary **damages** or the cost of defense related to such **damages.**

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

1. The **bodily injury** liability limit for "each person" is the maximum for **bodily injury** sustained by one person in any **occurrence.** Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
2. Subject to the **bodily injury** liability limit for "each person" the **bodily injury** liability limit for "each **occurrence**" is the maximum combined amount for **bodily injury** sustained by two or more persons in any **occurrence.**
3. The **property damage** liability limit for "each **occurrence**" is the maximum for all **damages** to all property in any one **occurrence.**
4. We will pay no more than the maximum limits provided by this policy regardless of the number of vehicles insured, **insured persons,** claims, claimants or policies, or vehicles involved in the **occurrence.**

Out of State Coverage

An **insured person** may become subject to the financial responsibility law, compulsory insurance law or similar law of another **state** or in Canada. This can happen because of the ownership, maintenance or use of **your insured car** when you travel outside of your home **state.** We will interpret this policy to provide any broader coverage required by those laws, except to the extent that other liability insurance applies. No person may collect more than once for the same elements of loss.

Conformity with Financial Responsibility Laws

When we certify this policy as proof under any financial responsibility law, it will comply with the law to the extent of the coverage required by the law.

Other Insurance

If there is other applicable Auto Liability Insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limits of liability bear to the total of all applicable limits. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

If any applicable insurance other than this policy is issued to you by us or any other member company of the Farmers Insurance Group of Companies, the total amount payable among all such policies shall not exceed the limits provided by the single policy with the highest limits of liability.

Part II - Uninsured Motorists

Coverage C - Uninsured Motorist Coverage (Including Underinsured Motorist Coverage)

We will pay all sums which an **insured person** is legally entitled to recover as **damages** from the owner or operator of an **uninsured motor vehicle** because of **bodily injury** sustained by the **insured person.** The **bodily injury** must be caused by **accident** and arise out of the ownership, maintenance or use of the **uninsured motor vehicle.**

Determination as to whether an **insured person** is legally entitled to recover **damages** or the amount of **damages** shall be made by agreement between the **insured person** and us. If no agreement is reached, the decision will be made by arbitration.

Additional Definitions Used in This Part Only

As used in this part:

1. **Insured person** means:
   a. You or a **family member.**
   b. Any other person while **occupying your insured car.**
   c. Any person for **damages** that person is entitled to recover because of **bodily injury** to you, a **family member,** or another occupant of **your insured car.**

   But, no person shall be considered an **insured person** if the person uses a vehicle without having sufficient reason to believe that the use is with permission of the owner.
2. **Motor vehicle** means a land motor vehicle or a trailer but does not mean a vehicle:
   a. Operated on rails or crawler-treads.
   b. Which is a farm type tractor, or any equipment designed or modified for use principally off public roads while not on public roads.
   c. Located for use as a residence or premises.
3. **Uninsured motor vehicle** means a motor vehicle which is:
   a. Not insured by a **bodily injury** liability bond or policy at the time of the **accident.**
   b. Insured by a **bodily injury** liability bond or policy at the time of the **accident** which provides coverage in amounts less than the limits of Uninsured Motorists Coverage shown in the Declarations.
   c. A hit-and-run vehicle whose operator or owner has not been identified and which strikes:
      (1) You or any **family member.**
      (2) A vehicle which you or a **family member** are **occupying.**
      (3) **Your insured car.**
   d. Insured by a **bodily injury** liability bond or policy at the time of the **accident** but the Company denies coverage or is or becomes insolvent.
4. **Uninsured motor vehicle,** however, does not mean a vehicle:
   a. Owned by or furnished or available for the regular use of you or any **family member.**
   b. Owned or operated by a self-insured as contemplated by any financial responsibility law, motor carrier law, or similar law.
   c. Owned by a governmental unit or agency.

Exclusions

This coverage shall not apply to the benefit of any insurer or self-insurer under any workers' or workmen's compensation law or disability benefits law or any similar law.

This coverage shall not apply to punitive or exemplary **damages** or the cost of defense related to such **damages.**

This coverage does not apply to **bodily injury** sustained by a person:

1. While **occupying** any vehicle owned by you or a **family member** for which insurance is not afforded under this policy or through being struck by that vehicle.
2. If that person or the legal representative of that person makes a settlement without our written consent.
3. While **occupying your insured car** when used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
4. During active participation in any organized or agreed-upon racing or speed contest or demonstration or in practice or preparation for any such contest.

Limits of Liability

The limits of liability shown in the Declarations apply subject to the following:

1. The limit for "each person" is the maximum for **bodily injury** sustained by any person in any one **occurrence.** Any claim for loss of consortium or injury to the relationship arising from this injury shall be included in this limit.
2. Subject to the limit for "each person," the limit for "each **occurrence**" is the maximum for **bodily injury** sustained by two or more persons in any one **occurrence.**

Other Insurance

1. The amount of Uninsured Motorist Coverage we will pay under Additional Definitions 3b shall be reduced by the

amount of any other **bodily injury** coverage available to any party held to be liable for the **accident.**

2. Except as provided in paragraph 1 above, if there is other applicable Auto Liability Insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limits of liability bear to the total of all applicable limits.
3. Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

Arbitration

If an **insured person** and we do not agree (1) that the person is legally entitled to recover **damages** from the owner or operator of an **uninsured motor vehicle,** or (2) as to the amount of payment under this part, either that person or we may demand that the issue be determined by arbitration.

In that event, the **insured person** will select an arbitrator and we will select another. The two arbitrators will select a third. If they cannot agree on the third arbitrator within 30 days, the judge of a court having jurisdiction will appoint the third arbitrator. The **insured person** will pay the arbitrator selected by that person. We will pay the arbitrator we select. The expense of the third arbitrator and all other expenses of arbitration will be shared equally.

Arbitration will take place in the county where the **insured person** lives. Local court rules governing procedures and evidence will apply. The decision in writing of any two arbitrators will be binding subject to the terms of this insurance.

Part III - Medical

Coverage E - Medical Expense Coverage

We will pay reasonable costs for necessary **medical services** furnished within two years from the date of the **accident,** because of **bodily injury** sustained by an **insured person.**

Additional Definitions Used in This Part Only

As used in this part, "**insured person**" or "**insured persons**" means:

1. You or any **family member** while **occupying,** or through being struck by, a motor vehicle or trailer, designed for use on public roads.
2. Any other person while **occupying your insured car** while the car is being used by you, a **family member** or another person if that person has sufficient reason to believe that the use is with permission of the owner.

Medical services means necessary medical, surgical, dental, chiropractic, x-ray, ambulance, hospital, professional nursing and funeral services, and includes the cost of pharmaceuticals, orthopedic and prosthetic devices, eyeglasses and hearing aids.

Medical services does not include the cost of any of the following:

1. Hot Tubs, spas, water beds,
2. Exercise equipment, heating or vibrating devices,
3. Membership in health clubs,
4. Medical reports unless requested by us.

Exclusions

This coverage does not apply for **bodily injury** to any person:

1. Sustained while **occupying your insured car** when used to carry persons for a charge. This exclusion does not apply to shared-expense car pools.
2. Sustained while **occupying** any vehicle while located for use as a residence or premises.
3. Sustained while **occupying** a motorized vehicle with less than four wheels.
4. Sustained while **occupying** or, when struck by, any vehicle (other than **your insured car**) which is owned by or furnished or available for the regular use of you or any **family member.**
5. Sustained while **occupying** a vehicle other than the car described in the Declarations while the vehicle is being used in the business or occupation of an **insured person.**
6. Occurring during the course of employment if workers' or workmen's compensation benefits are required.
7. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination.
8. During active participation in any organized or agreed-upon racing or speed contest or demonstration, or in practice or preparation for any such contest.
9. Where medical expenses are paid or payable by any governmental entity.

Limit of Liability

Regardless of the number of vehicles insured, **insured persons,** claims or policies or vehicles involved in the **accident,** we will pay no more for medical expenses, including funeral expenses, than the limit of liability shown for this coverage in the Declarations for each person injured in any one **accident.** In no event shall the limit of liability for funeral expenses exceed $2,000 each person.

Other Insurance
If there is other applicable automobile medical insurance on any other policy that applies to a loss covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits.

Any insurance we provide to any **insured person** for a substitute or non-owned motor vehicle or trailer, shall be excess over any other collectible insurance.

Part IV - Damage to Your Car

Coverage F - Comprehensive
We will pay for **loss** to **your insured car** caused by any accidental means except **collision**, less any applicable deductibles. Any deductible amount will apply separately to each **loss.**

Loss caused by missiles, falling objects, fire, theft or larceny, explosion, earthquake, windstorm, hail, water, flood, malicious mischief or vandalism, riot or civil commotion, colliding with a bird or animal, or breakage of glass is not deemed loss caused by **collision.** If breakage of glass results from a **collision,** you may elect to have it treated as **loss** caused by **collision.**

Coverage G - Collision
We will pay for **loss** to **your insured car** caused by **collision** less any applicable deductibles.

Any deductible shall apply separately to each **loss.**

Coverage H - Towing and Road Service
We will pay for reasonable and necessary towing and labor costs incurred because of disablement of **your insured car.** The labor must be performed at the place of disablement. The Declaration sheet shows the maximum amount, if any, that we will pay.

Additional Definitions Used in This Part Only
As used in this part:

1. **Collision** means collision of **your insured car** with another object or upset of **your insured car.**
2. **Loss** means direct and accidental loss of or damage to **your insured car,** including its equipment.
3. **Your insured car** shall also include any other **private passenger car, utility car,** or **utility trailer** not owned by or furnished or available for the regular use of you or a **family member.** But no vehicle shall be considered as your insured car unless there is sufficient reason to believe that the use is with permission of the owner, and unless it is used by you or a **family member.**

Supplementary Payments

1. If you have comprehensive coverage, we will pay for transportation expenses incurred by you because of the total theft of **your insured car.** We will pay up to $15 per day, but no more than $450 each **loss.** This coverage begins 48 hours after the theft has been reported to us and to the police and ends when the car is returned to use or when we offer settlement for the **loss.**
2. We will pay up to, but not more than, $200 for **loss** of clothing or luggage in **your insured car** and belonging to you or a **family member** if the **loss** is caused by:
   a. **Collision** of **your insured car** while covered by this policy.
   b. Fire, lightning, flood, earthquake, explosion, falling aircraft, or theft of the entire insured car, and **loss** occurs to **your insured car** from the same cause while covered for comprehensive by this policy.

Exclusions
This coverage does not apply to **loss:**

1. To **your insured car** while used to carry persons or property for a charge. This exclusion does not apply to shared-expense car pools.
2. Caused by war (declared or undeclared), civil war, insurrection, rebellion, revolution, nuclear reaction, radiation or radioactive contamination, or any consequence of any of these.
3. Caused by theft to equipment designed for the reproduction of sound, or any radio receiving or radio receiving and transmitting equipment. This applies to such equipment as a tape player, tape recorder, citizens band radio and two-way mobile radio, telephone, radar detectors, television or scanning monitor receiver. It also applies to any electronic device incorporating any of this equipment, as well as accessories and antennas.

   This exclusion does not apply to that equipment which is permanently installed in the opening of the dash or console of **your insured car** normally used by the motor vehicle manufacturer for the installation of a radio or sound reproducing device.
4. Caused by theft to tapes, records, reels, cassettes, cartridges, carrying cases or other devices for use with equipment designed for the reproduction of sound.
5. To a camper body, canopy or utility trailer owned by you or a **family member** and not described in the Declarations. But, coverage does apply to a camper body, canopy or **utility trailer** ownership of which you acquire during the policy

period if you ask us to insure it within 30 days after you acquire it.

6. To awnings, cabanas, or equipment designed to provide additional living facilities.
7. Due and confined to wear and tear, freezing, mechanical or electrical breakdown or failure, or road damage to tires. But coverage does apply if the **loss** results from burning of wiring. Also coverage does apply if the **loss** results from the total theft of **your insured car.**
8. To a vehicle not owned by you when used in auto business operations.
9. During any organized or agreed-upon racing or speed contest or demonstration in which **your insured car** has active participation or in practice or preparation for any such contest.
10. To a van, pickup or panel truck due to increased cost of repair or replacement of any custom furnishings or equipment including, but not limited to:
    a. special carpeting, insulation, wall paneling, furniture or bars.
    b. facilities for cooking and sleeping including enclosures or bathroom facilities.
    c. height-extending roofs.
    d. custom murals, paintings or other decals or graphics. DPV

Limits of Liability

Our limits of liability for **loss** shall not exceed the lowest of:

1. The actual cash value of the stolen or damaged property.
2. The amount necessary to repair or replace the property. DPV
3. $500 for a **utility trailer** not owned by you or a **family member.** DPV

Payment of Loss

We may pay the **loss** in money or repair or replace damaged or stolen property. We may, at any time before the **loss** is paid or the property is replaced, return, at our expense, any stolen property either to you or to the address shown in the Declarations, with payment for the resulting damage. We may keep all or part of the property at the agreed or appraised value.

Appraisal

You or we may demand appraisal of the **loss.** Each will appoint and pay a competent and disinterested appraiser and will equally share other appraisal expenses. The appraisers, or a judge of a court having jurisdiction, will select an umpire to decide any differences. Each appraiser will state separately the actual cash value and the amount of **loss.** An award in writing by any two appraisers will determine the amount payable, which shall be binding on the parties. DPV

No Benefit to Bailee

This coverage shall not directly or indirectly benefit any carrier or other bailee for hire liable for **loss** to **your insured car.**

Other Insurance

If there is other applicable similar insurance on any other policy that applies to a **loss** covered by this part, we will pay only our share. Our share is the proportion that our limit of liability bears to the total of all applicable limits. This coverage does not apply to any additional car if there is similar coverage on it. DPV

Any insurance we provide for a vehicle you do not own shall be excess over any other collectible insurance.

Part V - Conditions

1. Policy Period and Territory

This policy applies only to **accidents, occurrences,** and losses during the policy period shown in the Declarations which occur within the United States, its territories or possessions, or Canada, or while the car is being shipped between their ports. DPV

2. Changes

This policy with the Declarations includes all agreements between you and us relating to this insurance. No other change or waiver may be made in this policy except by endorsement, new declarations or new policy issued by us. DPV

The premium for each term of this policy is determined by information in our possession at the inception of that term. Any changes in this information which would affect the rating of your policy will allow us to make an additional charge or refund on a pro rata basis. If a premium adjustment is necessary we will make the adjustment as of the effective date of the change. DPV

When we broaden coverage during the policy period without charge, the policy will automatically provide the broadened coverage when effective in your **state.** We may make other changes or replace this policy, to conform to coverage currently in use at the next policy period. The change or new policy will be delivered to you, or mailed to you at your mailing address shown in the Declarations at least 30 days before the effective date of the new policy period.

Policy terms which conflict with law of Wisconsin are hereby amended to conform to such laws. DPV

3. Legal Action Against Us

We may not be sued unless there is full compliance with all the terms of this policy. We are not relieved of obligation under this policy because you fail to comply with its terms and conditions

unless such failure increases the risk or contributes to the **damages** incurred, or exists at the time the **damages** are sustained.

4. Transfer of Your Interest

Interest in this policy may not be assigned without our written consent. But, if the insured named in the Declarations or the spouse of the insured resident in the same household dies, the policy will cover:

a. The survivor.
b. The legal representative of the deceased person while acting within the scope of duties of a legal representative.
c. Any person having proper custody of **your insured car** until a legal representative is appointed.

5. Our Right to Recover Payment

When an insured person has been paid for necessary medical services by us under this policy and also recovers from another, we shall be reimbursed to the extent of our payment of necessary medical services and to the extent permitted by law after that insured person has been fully compensated for his or her loss. That insured person shall report to us his or her actions to recover from another (including but not limited to delivery to us of legal papers relating to any such recovery) and shall do nothing to prejudice our right of reimbursement.

6. Bankruptcy

We are not relieved of any obligation under this policy because of the bankruptcy or insolvency of any insured person.

7. Termination or Reduction of Coverage

a. Cancellation or reduction of coverage:
   1. You may cancel this policy by advising us in writing when at a future date the cancellation is to be effective.
   2. We may cancel, change the renewal date, or cancel or reduce all or any portion of any coverage by mailing notice to you, your representative, or any lienholder shown in the policy at the address shown in the Declarations or by delivering the notice not less than 60 days prior to the effective date of such cancellation, reduction, or change of renewal date.
      If we cancel or reduce all or any portion of any coverage, the notice we send you will describe that portion we are cancelling or reducing. DPV
   3. Our right to cancel is limited only if this policy has been in effect for 60 days, or is a renewal. We can cancel if the policy has been in effect for more than 60 days, or is a renewal, only if any of the following apply:
      a. You fail to pay the premium when due, except as provided in paragraph 5.
      b. The insurance was obtained through material misrepresentation.
      c. There is a substantial change in risk, unless we should have reasonably foreseen the change or contemplated the risk.
      d. Any insured person violated any terms and conditions of the policy.
   4. We will not cancel, reduce the coverage, or refuse to renew any motor vehicle insurance policy, wholly or partially, because of age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status or occupation of any insured person.
   5. When this policy is certified as proof of Financial Responsibility, we may not cancel prior to 90 days from the date of the certificate if you fail to pay the premium when due. DPV

b. Non-renewal
   We will mail to you at the address shown in the Declarations, or deliver to you, notice of non-renewal not less than 60 days before the end of the policy period, if we decide not to renew or continue this policy.

c. Renewal or Lapse
   We may offer to renew this policy, on the terms then being applied to similar risks, for an additional period of time equivalent to the expiring term. If we send to you one of these renewal offers, the offer will be sent to you during a period at least 10-75 days prior to the renewal date and will advise you that if you do not pay the renewal premium by the due date this policy and its coverage will lapse (terminate) with no further notice to you.
   We may also offer to renew this policy on terms that are less favorable or at higher premiums (as those terms are defined by statute) for an additional period of time equivalent to the expiring term, in which event our notice will include a statement of your right to cancel and to receive return premiums or additional premium charges calculated proportionately on the basis of old premiums. If we send to you one of these renewal offers, the offer will be sent to you during a period at least 60 days prior to the renewal date and will advise you that if you do not pay the renewal premium by the due date this policy and its coverage will lapse (terminate) with no further notice to you.
   If other insurance is obtained on **your insured car**, any similar insurance afforded under this policy for that car will cease on the effective date of the other insurance.

d. Other Provisions

(1) If different requirements for cancellation and non-renewal or termination of policies become applicable because of the laws of Wisconsin, we will comply with those requirements.

(2) Mailing of a notice shall be sufficient proof of notice. We may deliver a notice instead of mailing it.

(3) The effective date and time stated on the notice for cancellation of the entire policy shall become the end of the policy period.

(4) The effective date and hour stated on the notice for any reduction or changes of coverage that You request or cancellation of a portion of the coverage, shall be the effective date of your request for said reduction or change. The effective date and hour for any reduction or change of coverage occasioned by a substantial change in the risk assumed shall be the date on which We learn of said substantial change.

(5) Termination or change may result in a premium refund. If so, we will send it to you. Our mailing or offering of a refund is not a condition of cancellation.

If you cancel, the refund will be computed in accordance with the customary short rate table and procedure.

If we cancel or reduce coverage, the refund will be computed on a pro rata basis.

8. Misrepresentation and Knowledge of Agent

We are not relieved of any obligation under this policy because you or someone on your behalf made a false statement, misrepresentation, or warranty unless it was made with the intent to deceive or increased the risk or contributed to the **damages** incurred.

One of our agents may have knowledge of such false statement, misrepresentation, or warranty, or that you have not complied with all the terms of the policy. We are deemed to have such knowledge.

9. No Duplication of Benefits

Any amount paid under Coverage E - Medical Expense Coverage, will be applied against any other coverage of this policy applicable to the loss so that there is no duplication of Coverage E benefits. In no event shall a coverage limit be reduced below any amount required by law.

Reciprocal Provisions

(Applicable Only if This Policy is Issued by Farmers Insurance Exchange)

This policy is made and accepted in consideration of your premium payment to us. It is also in consideration of the power of attorney you signed as part of your application and the information you gave to us on your application. Some of your statements actually become a part of the policy which we call "The Declarations."

When you signed the power of attorney authority on your application, you authorized the Farmers Underwriters Association to execute interinsurance policies between you and other subscribers.

Nothing in this policy is intended, or shall be construed, to create either:

a. A partnership or mutual insurance association.

b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be upon the Farmers Underwriters Association, Attorney-in-Fact.

Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, if we cancel or nonrenew your policy during the initial policy period, membership fees will be refunded to you in full.

We hold the Annual Meeting of the members of the Exchange at our Home Office at Los Angeles, California, on the first Monday following the 15th day of March of each year at the hour of 2:00 p.m. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the annual meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreements.

Your E-Z Reader Car Policy (continued)

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium invoice. The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is non-assessable.

Special Provisions

(Applicable Only if This Policy is Issued by Mid-Century Insurance Company)

Policy fees which you pay are not part of the premium. They are fully earned when the policy is issued. They are not returnable. However, if we cancel or non-renew your policy during the initial policy period, policy fees will be refunded to you in full.

An effective policy from the below insurer will include a Declarations Page with the signature of its duly authorized representative thereon.

The Company named on the Declarations has caused this policy to be signed by the officers shown below:

FARMERS INSURANCE EXCHANGE
by Farmers Underwriters Association,
Attorney-in-Fact
MID-CENTURY INSURANCE COMPANY

Secretary

Vice President

How are auto rates determined?

Automobile insurance prices in Wisconsin are based on the principle of open competition in a free market. While we may not refuse to sell you auto insurance on the basis of such factors as age, sex or race, we do set our own rates. Different insurers may develop significantly different rates for the same risk. These differences can reflect the level of losses of particular insurers, the efficiency of the company, or their judgement as to the importance of particular factors in automobile insurance rating. Over the years, insurers have used many factors in rating risks (the most familiar being the age and sex of the driver). Not all insurers use the same factors, or give them the same weight. For example, while one company may use a single "base rate" for all drivers in a large city (Milwaukee), another may develop loss experience by groupings of zip-codes in that city, and charge accordingly - in order to compete more effectively. As has been the case in the past, we may expect that the rating factors companies use will continue to evolve in the future, in response to consumer pressures, changing times and attitudes.

Here are the principle factors which our company currently uses in developing its automobile insurance rates (upon request, your agent will be glad to provide a more detailed breakdown).

Use of Vehicle: The more a vehicle is used, the more likely an accident will occur. A car used only for pleasure therefore is charged lower premiums compared to a car used daily in business or for driving to and from work.

Type of Vehicle: Premiums for comprehensive and collision coverages reflect the cost to replace or repair the automobile. The more expensive the automobile the higher the premium.

Age of Vehicle: New cars cost more to replace and generally more to repair than older cars. Therefore, comprehensive and collision coverage costs more for new cars.

Your E-Z Reader Car Policy (continued)

Garage Location (Territory): Metropolitan and suburban areas are generally more congested with traffic than are rural areas. This fact is reflected in their loss experience. A greater frequency of accidents, coupled with higher expenses for car repair, legal defense, and medical care, usually means higher premiums for policyholders in these locations.

Age and Sex of Drivers: Our statistics show that drivers under age 25 have approximately twice the frequency of accidents as drivers over age 25. The severity of loss is also greater for the younger drivers. Young males have more losses than young females.

Lack of driving experience plays a big part in accident frequency. As a result, the rate for young drivers is more than for the older more experienced drivers. Young men must pay more than young women.

Another factor that affects rates for young drivers is the ratio of mileage driven to the total by all drivers of a vehicle. When the young unmarried man operates the car over 25% of the annual mileage the rate is higher than if driven less than 25% of the mileage. The rate level for the young unmarried woman under 25 doesn't vary based on the amount of use.

Marital Status of Drivers: Statistics indicate that married persons have fewer accidents than unmarried drivers in the younger age brackets. The difference is significant enough in the young driver categories to create a need for a rate difference. Young unmarried drivers must pay more than young, married drivers.

Accidents and Violations: Rating programs that are influenced by accidents and/or moving traffic violations are quite common. Your rating plan depends upon whether your policy is issued by Farmers Insurance Exchange or Mid-Century Insurance Company.

The Farmers Insurance Exchange rate plan includes rate differences based on accidents only. Traffic violations may influence our decisions to continue your policy but there is no rate surcharge for such offenses.

We have an Accident Free Discount that is applied to our Standard rate if all household drivers of the car are free from accident for the most recent 36 months. Our standard rate level applies if a driver has had an accident during the last 36 months. If two accidents occur during the last 36 months a surcharge is applied to our Standard rate level.

The Mid-Century rating plan involves point charges for accidents and convictions for moving traffic violations that have occurred in the last three years. Chargeable accidents result in two points each. Traffic violations such as speeding, stop sign and improper turn result in one point each. Serious violations such as driving under the influence of alcohol or drugs are four points each. The higher the point level, the higher the premium charge.

Other Discounts and Surcharges: Two or More Car Discount - Families with two or more cars insured in the same company may be eligible for this discount.

Good Student Discount - Certain drivers under age 25 may qualify for this discount based on school grade averages.

If your policy is issued by the Farmers Insurance Exchange, the following three discounts may also be available:

30/60 Discount - If all drivers are between the ages of 30 and 60 and meet certain other qualifications, you may qualify for our 30/60 Package Policy at a discounted rate.

Non-Smoker Discount - If all drivers are age 21 or over and have not smoked in the last two years you may qualify for our Non-Smoker Package Policy at a discounted rate.

Farm Discount - If any of your vehicles are used exclusively for farm purposes, such cars may qualify for this discount.

High Performance Car Surcharge - Certain high horsepower cars are subject to a surcharge in both Farmers and Mid-Century.

Is there some way I can reduce my premium?

Under our rating system, you may reduce your premium in a variety of ways. You can drive carefully and defensively to avoid accidents, take higher deductibles on comprehensive and collision, drive less and not to and from work (carpool). You can also minimize your premium by owning the less expensive models.

Note: More than one discount may not be available on the same car.

Can I be cancelled or non-renewed?

Under Wisconsin law, no insurer may cancel or refuse to renew an automobile insurance policy solely because of the age, sex, residence, race, color, creed, religion, national origin, ancestry, marital status or occupation of anyone who is an insured. Also, we cannot cancel your policy during its term (after it has been in force 60 days or over) unless you don't pay your premium, or unless you have deliberately lied to us, refused to comply with policy terms and conditions, or have change substantially as a risk (such as loss of driver's license, or converting your private passenger car to a taxicab).

The rating approach as described elsewhere in this material is the most equitable means of distributing the cost of losses that we have been able to develop. However, a rating plan is not the answer in all cases. Frequent accidents or circumstances indicating carelessness, imprudent or other misuse of an auto

Your E-Z Reader Car Policy (continued)

contributing to an accident may result in non-renewal. Frequent moving traffic violations - running stop signs, speeding, failure to yield - may also cause non-renewal.

In the Farmers Insurance Exchange, we have non-renewed drivers who have no accidents, but were convicted of driving after drinking and speeding. On the other hand, we have renewed drivers with more than two accidents in three years, because they were all very minor and we had insured the driver for many years, with no prior accidents or violations.

Further details of reasons that can result in cancellation or nonrenewal can be found in your policy contract.

Where do I get answers to questions concerning my personal insurance problems?

The first person to go to is your Farmers Agent. Your agent can answer your questions or guide you to someone that can. If the agent doesn't answer your question or take care of the problem satisfactorily, please call or write our Customer Service Section in our regional office at 2245 Sequoia Drive, Aurora, Illinois 60506. Telephone (630) 907-0030.

The Wisconsin Office of the Commissioner of Insurance, P.O. Box 7873, Madison, Wisconsin, 53707-7873, telephone (608) 266-3585, will review and investigate any complaints which are brought to its attention.

No Mexico Coverage
Read This Warning Carefully

No coverage under this policy is provided while in Mexico. The Republic of Mexico considers an automobile accident a criminal offense as well as a civil matter. Coverage can be obtained through a Mexican insurance company when needed.